

EXHIBIT B

DISTRIBUTION OF BORROWER PAYMENT AMOUNT

1. The Borrower Payment Amount shall be administered under the direction and control of the Executive Committee in the following manner.

2. Within thirty (30) days of the Effective Date of this Agreement, the Executive Committee shall choose and retain a Settlement Administrator (“the Administrator”) to administer the distribution of cash payments to individual Borrowers under this Agreement. All costs and expenses of the Administrator, including taxes, shall be paid from the Borrower Payment Amount.

3. PHH shall provide to the Administrator all information already in its possession and readily available that is reasonably necessary for the administration of this Agreement, within a reasonable time after receipt of the request for information. The Administrator shall utilize appropriate information security protocols to ensure the privacy of Borrower information and otherwise comply with all applicable privacy laws. After the completion of the Borrower Payment process, upon request the Administrator shall provide a report to PHH identifying which Borrowers have received payment. In addition, PHH may request from the Administrator such interim reports as may be deemed reasonable by the Executive Committee and such agreement, consent, or approval shall not be unreasonably withheld. Interim reports necessary to ensure that Borrowers will not receive duplicate payments by virtue of litigation, the foreclosure payments required by federal banking agencies or otherwise hereby are deemed reasonable. PHH shall warrant to the Executive Committee at the time of supplying information to the Administrator that the information is complete and accurate to the best of its knowledge and capability. PHH’ duty to supply complete and accurate information, to the best of its knowledge and

capability, regarding eligible Borrowers shall continue throughout the administration process.

4. The Administrator shall permit reasonable onsite inspection by the Executive Committee on the premises of the Administrator to monitor administration of this Agreement.

5. As a condition to receipt of any payments pursuant to this process, Borrowers must agree that such payment shall offset and operate to reduce any other obligation PHH or PHH's affiliates or subsidiaries have to the Borrowers to provide compensation or other payments. However, Borrowers shall not be required to release or waive any other right or legal claim as a condition of receiving such payments.

6. Any cash payment to individual Borrowers awarded under the terms of this Agreement is not and shall not be considered as forgiven debt.

7. For Borrowers who lost their home to foreclosure, the purposes of the payments described in this Exhibit B are remedial and relate to the reduction in the proceeds deemed realized by Borrowers for tax purposes from the foreclosure sale of residential properties owned by the Borrowers allegedly resulting from the allegedly unlawful conduct of PHH.

8. In accordance with written instructions from the Executive Committee, PHH shall make thirty-one million, four hundred and fifty-six thousand, two hundred and ten dollars (\$31,456,210) of the Borrower Payment Amount available to the Administrator to provide cash payments to (a) Borrowers whose loans were serviced by PHH at the time the foreclosure was completed and whose homes were sold or taken in foreclosure between and including January 1, 2009, and December 31, 2012 or (b) all other Borrowers whose

loans were serviced by PHH and referred to foreclosure during that same time period and not accounted for in (a) above; who submit claims allegedly arising from the Covered Conduct (as that term is defined in Exhibit C attached to the Consent Judgement); and who otherwise meet criteria set forth by the Executive Committee; and to pay the reasonable costs and expenses of a Settlement Administrator, including taxes and fees for tax counsel, if any. Any amounts made available hereunder remain a part of the Qualified Settlement Fund until distributed to Borrowers and shall be administered in accordance with the terms set forth in this Exhibit B.

9. Interest earned on amounts held in the Qualified Settlement Fund, if any, may be used, at the discretion of the Executive Committee, to pay the costs and expenses of administration (including taxes), for Borrower payments, or for any other housing-related purpose.

10. The Administrator is responsible for ensuring that any uncashed checks, that have passed their stale date, issued to Borrowers entitled to payment from the Borrower Payment Amount shall be escheated to the state of the Borrower's last known address so that such Borrower, or such Borrower's rightful heirs, will maintain their ability to claim such payment pursuant to that state's processes for collecting unclaimed funds.